

**Audited Financial Statements
and Other Information**

**1736 Family
Crisis Center**

June 30, 2008

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Quigley & Miron

1736 FAMILY CRISIS CENTER
AUDITED FINANCIAL STATEMENTS AND OTHER INFORMATION
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
1736 Family Crisis Center
Los Angeles, California

We have audited the accompanying statements of financial position of 1736 Family Crisis Center (Center), a nonprofit organization, as of June 30, 2008 and 2007, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 1736 Family Crisis Center as of June 30, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2009, on our consideration of the Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of 1736 Family Crisis Center taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.



Los Angeles, California
January 26, 2009

1736 FAMILY CRISIS CENTER
STATEMENTS OF FINANCIAL POSITION
June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,768,110	\$ 1,490,461
Contracts receivable	1,337,374	1,281,731
Grants receivable, current portion	25,000	25,000
Deposits and other assets	<u>165,792</u>	<u>114,223</u>
TOTAL CURRENT ASSETS	3,296,276	2,911,415
GRANTS RECEIVABLE, NET		23,585
ENDOWMENT INVESTMENTS		
Cash and cash equivalents	<u>130,882</u>	<u>130,882</u>
TOTAL ENDOWMENT INVESTMENTS	130,882	130,882
PROPERTY AND EQUIPMENT		
Building	1,017,256	1,017,256
Furniture, fixtures and equipment	1,165,420	1,164,148
Leasehold improvements	567,136	476,685
Less accumulated depreciation and amortization	<u>(1,620,875)</u>	<u>(1,534,967)</u>
NET PROPERTY AND EQUIPMENT	<u>1,128,937</u>	<u>1,123,122</u>
TOTAL ASSETS	<u>\$ 4,556,095</u>	<u>\$ 4,189,004</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 537,931	\$ 954,111
Vacation pay payable	431,823	398,382
Notes payable, current portion	<u>34,980</u>	<u>-</u>
TOTAL CURRENT LIABILITIES	1,004,734	1,352,493
NOTES PAYABLE	<u>881,413</u>	<u>-</u>
TOTAL LIABILITIES	1,886,147	1,352,493
NET ASSETS		
Unrestricted		
Undesignated	35,129	33,922
Board-designated		
Reserve Fund	1,000,000	1,000,000
Building and Facilities Fund	350,000	500,000
Property and equipment	<u>1,128,937</u>	<u>1,123,122</u>
TOTAL UNRESTRICTED	2,514,066	2,657,044
Temporarily restricted	25,000	48,585
Permanently restricted	<u>130,882</u>	<u>130,882</u>
TOTAL NET ASSETS	<u>2,669,948</u>	<u>2,836,511</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,556,095</u>	<u>\$ 4,189,004</u>

See notes to financial statements.

1736 FAMILY CRISIS CENTER
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
UNRESTRICTED NET ASSETS		
Public support		
Government contract revenue	\$ 5,451,668	\$ 5,283,879
Individual donations	341,672	221,719
Community and service club donations	37,322	69,168
Foundation grants and corporate contributions	196,785	251,841
In-kind supplies and volunteer services	<u>339,978</u>	<u>278,807</u>
TOTAL PUBLIC SUPPORT	6,367,425	6,105,414
Revenue		
Interest and dividend income	28,685	20,638
Miscellaneous	<u>19,943</u>	<u>697</u>
TOTAL REVENUE	<u>48,628</u>	<u>21,335</u>
TOTAL UNRESTRICTED PUBLIC SUPPORT AND REVENUE	6,416,053	6,126,749
Net assets released from restrictions	<u>25,000</u>	<u>22,250</u>
TOTAL UNRESTRICTED PUBLIC SUPPORT, REVENUE AND RECLASSIFICATIONS	6,441,053	6,148,999
Expenses		
Program services	5,734,527	5,424,190
Management and general	712,256	679,171
Resource development	<u>137,248</u>	<u>238,807</u>
TOTAL EXPENSES	<u>6,584,031</u>	<u>6,342,168</u>
DECREASE IN UNRESTRICTED NET ASSETS	(142,978)	(193,169)
TEMPORARILY RESTRICTED NET ASSETS		
Net assets released from restrictions	<u>(23,585)</u>	<u>(22,250)</u>
DECREASE IN TEMPORARILY RESTRICTED NET ASSETS	<u>(23,585)</u>	<u>(22,250)</u>
NET DECREASE IN NET ASSETS	(166,563)	(215,419)
NET ASSETS AT BEGINNING OF YEAR	<u>2,836,511</u>	<u>3,051,930</u>
NET ASSETS AT END OF YEAR	<u>\$ 2,669,948</u>	<u>\$ 2,836,511</u>

See notes to financial statements.

1736 FAMILY CRISIS CENTER
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2008

	Program Services			Supporting Services		
	Domestic Violence Shelters	Runaway and Homeless Youth Shelters	Community-Based Education and Counseling Services	Total	Management and General	Resource Development
EXPENSES						2008 Total
Salaries	\$ 830,021	\$ 147,676	\$ 2,038,750	\$ 3,016,447	\$ 165,024	\$ 40,528
Payroll taxes and fringe benefits	245,443	43,669	602,870	891,982	48,798	11,984
Professional services	123,791	-	228,814	352,605	343,240	27,894
Rent, parking & occupancy	119,000	23,064	236,601	378,665	7,048	1,986
Supplies for shelter/counseling operations	4,114	17,470	175,914	197,498	-	-
Depreciation and amortization	19,361	3,843	49,829	73,033	9,186	3,689
Office supplies	17,846	1,162	58,436	77,444	3,599	1,091
Maintenance and repairs	9,645	5,737	124,282	139,664	5,978	-
Telephone	15,284	5,955	55,679	76,918	10,693	-
Insurance	5,615	1,245	53,398	60,258	-	120
Utilities	4,216	3,163	31,877	39,256	-	-
Interest	-	-	-	-	44,899	-
Fees, taxes and licenses	7	-	13,000	13,007	13,801	2,324
Printing	200	43	769	1,012	-	2,939
Travel	2,121	283	13,242	15,646	1,568	223
Conferences and training	3,280	1,606	5,752	10,638	561	200
Postage	770	164	5,175	6,109	526	2,098
Recruitment	119	24	14,817	14,960	16	7,604
Dues and subscriptions	6,527	877	1,134	8,538	893	1,700
Other expenses	-	-	30,708	30,708	46,587	32,868
TOTAL EXPENSES BEFORE IN-KIND SUPPLIES AND VOLUNTEER SERVICES	1,407,360	255,981	3,741,047	5,404,388	702,417	137,248
In-kind supplies and volunteer services--Note 1	176,994	37,162	115,983	330,139	9,839	-
TOTAL EXPENSES	\$ 1,584,354	\$ 293,143	\$ 3,857,030	\$ 5,734,527	\$ 712,256	\$ 137,248
						\$ 6,584,031

See notes to financial statements.

1736 FAMILY CRISIS CENTER
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2007

	Program Services			Supporting Services		
	Domestic Violence Shelters	Runaway and Homeless Youth Shelters	Community- Based Education and Counseling Services	Total	Management and General	Resource Development
EXPENSES						2007 Total
Salaries	\$ 2,046,905	\$ 189,445	\$ 579,954	\$ 2,816,304	\$ 207,969	\$ 92,969
Payroll taxes and fringe benefits	561,149	51,936	158,991	772,076	57,015	25,487
Professional services	181,582	750	305,631	487,963	262,334	93,732
Rent, parking & occupancy	221,051	26,184	137,787	385,022	6,672	520
Supplies for shelter/ counseling operations	106,047	16,385	20,172	142,604	-	-
Depreciation and amortization	93,736	6,248	24,996	124,980	14,746	702
Office supplies	58,788	1,895	55,789	116,472	4,875	4,867
Maintenance and repairs	66,597	10,685	10,333	87,615	19,326	256
Telephone	52,586	6,707	28,458	87,751	7,216	84
Insurance	38,549	660	6,315	45,524	1,961	5,180
Utilities	30,262	2,448	4,580	37,290	-	-
Fees, taxes and licenses	3,805	-	-	3,805	18,776	124
Printing	10,030	181	840	11,051	332	10,029
Travel	10,851	774	5,142	16,767	1,591	36
Conferences and training	6,980	1,201	1,779	9,960	1,749	14
Postage	4,492	73	513	5,078	2,118	1,822
Recruitment	169	-	1,169	1,338	4,775	2,490
Dues and subscriptions	1,658	2,430	183	4,271	339	495
Other expenses	2,579	227	1,277	4,083	52,806	-
TOTAL EXPENSES BEFORE IN-KIND SUPPLIES AND VOLUNTEER SERVICES	3,497,816	318,229	1,343,909	5,159,954	664,600	238,807
In-kind supplies and volunteer services--Note 1	75,091	22,364	166,781	264,236	14,571	-
TOTAL EXPENSES	\$ 3,572,907	\$ 340,593	\$ 1,510,690	\$ 5,424,190	\$ 679,171	\$ 238,807
						\$ 6,342,168

See notes to financial statements.

1736 FAMILY CRISIS CENTER
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in net assets	\$ (166,563)	\$ (215,419)
Adjustments to reconcile decrease in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	85,908	140,428
Change in operating assets and liabilities:		
Contracts receivable	(55,643)	977,040
Grants receivable	23,585	22,250
Deposits and other assets	(51,569)	7,336
Accounts payable and accrued expenses	(416,180)	59,631
Vacation pay payable	<u>33,441</u>	<u>52,308</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(547,021)	1,043,574
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	<u>(91,723)</u>	<u>(189,476)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(91,723)</u>	<u>(189,476)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable	927,135	-
Repayment of notes payable	<u>(10,742)</u>	<u>-</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>916,393</u>	<u>-</u>
INCREASE IN CASH AND CASH EQUIVALENTS	277,649	854,098
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,490,461</u>	<u>636,363</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,768,110</u>	<u>\$ 1,490,461</u>

See notes to financial statements.

1736 FAMILY CRISIS CENTER
NOTES TO FINANCIAL STATEMENTS
June 30, 2008 and 2007

NOTE 1--ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization--1736 Family Crisis Center (Center) is a private, nonprofit organization, funded with revenues from the public and private sectors, including the United States government, the State of California, the County of Los Angeles, the City of Los Angeles, surrounding municipalities, foundations, corporations, clubs and service organizations, churches, community groups and individuals. The Center operates five shelters: one for runaway and homeless youth and four for battered women and their children, giving emergency housing and extended care to help victims secure independence through job development, counseling, advocacy and complete living skills education. The Center's services are not restricted by the geographic residency of clients. Additional programs include: five 24-hour crisis hotlines, a 24-hour drop-in program, a 24-hour emergency room response team; three community service centers/counseling clinics; individual, group and family therapy programs; a community education, awareness and prevention program; and an advocacy and referral network. The Center is staffed by approximately 140 professionals and paraprofessional workers and has approximately 200 volunteers.

Contributions--Non-reciprocal contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. Temporarily restricted support is reclassified to unrestricted net assets upon the satisfaction of the donor restriction.

Investment Securities--Investment securities are recorded at fair market value.

Property and Equipment--Building, furniture, fixtures and equipment, and leasehold improvements are stated at cost when purchased, or at estimated fair market value at the date of bequest or gift. Depreciation is provided using the straight-line method over the estimated useful life of the related asset, as follows:

Building	31 years
Furniture, fixtures and equipment	5-10 years

Amortization of leasehold improvements is provided using the straight-line method over the shorter of the estimated useful life of the related asset or the lease term. Depreciation and amortization expense amounted to \$85,908 and \$140,428 for the years ended June 30, 2008 and 2007, respectively. Individual property items valued at less than \$5,000 are expensed when purchased or donated.

Cash Equivalents--The Center considers highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. For purposes of the statement of cash flows, cash and cash equivalents excludes permanently restricted cash and cash equivalents.

Reclassifications--Certain amounts in 2007 have been reclassified to conform with the 2008 financial statement presentation.

1736 FAMILY CRISIS CENTER
NOTES TO FINANCIAL STATEMENTS--Continued

NOTE 1--ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--
Continued

In-Kind Supplies and Volunteer Services--The Center receives donations in the form of volunteer assistance and donated materials, supplies and property and equipment. Volunteers are utilized in all areas of the agency operations, including clerical, office/reception relations, transportation, professional advisory services, and general client support services. The value of volunteer services is calculated by multiplying accumulated volunteer hours by estimated fair value hourly wage rates based on the nature of the work performed. Donated materials, supplies and property and equipment are recorded at estimated fair market value at date of donation. The assigned values of the in-kind supplies and volunteer services are reflected in the Statements of Activities and Functional Expenses.

Income Taxes--The Center is a nonprofit public benefit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (Code). The Center is similarly exempt from California franchise tax under Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for federal or state income taxes is included in the financial statements. In addition, the Center has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code.

Estimates--The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentrations of Credit Risk--Financial instruments which potentially subject the Center to concentrations of credit risk consist of cash and grants and contracts receivables. The Center maintains cash balances at various high quality financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. Cash balances of the Center will typically exceed the FDIC limits in the normal course of operations. Management regularly reviews the financial stability of its cash depositories and deems the risk of loss due to these concentrations to be minimal. Grants and contracts receivable are due from a corporation and a variety of governmental bodies well-known to the Center, with favorable past payment histories. The Center's management has assessed the credit risk associated with these grants and contracts receivable and has determined that an allowance for potential uncollectible amounts is not necessary.

1736 FAMILY CRISIS CENTER
NOTES TO FINANCIAL STATEMENTS--Continued

NOTE 2--CONTRACTS RECEIVABLE

Contracts receivable consist of the following at June 30, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
U.S. Department of Housing and Urban Development	\$ 336,803	\$ 301,699
City of Los Angeles	307,643	364,602
County of Los Angeles	259,305	204,381
State of California	224,866	174,796
Los Angeles Homeless Services Authority	114,800	155,245
Department of Health and Human Services	60,106	14,332
California Hospital Medical Center	12,500	-
Federal Emergency Management Administration	8,800	22,880
City of Long Beach	6,213	6,286
City of Redondo Beach	2,301	184
City of Manhattan Beach	1,778	30,725
Children's Hospital Los Angeles	1,122	3,042
Beach Cities Health District	950	3,217
Collaborative for Alternatives to Violence and Abuse	187	342
TOTALS	<u>\$ 1,337,374</u>	<u>\$ 1,281,731</u>

NOTE 3--GRANTS RECEIVABLE, NET

Net grants receivable at June 30, 2008 and 2007 consists of a multi-year grant from a corporation, due as follows:

	<u>2008</u>	<u>2007</u>
Receivable due in less than one year	\$ 25,000	\$ 25,000
Receivable due in one to five years	-	25,000
GROSS GRANTS RECEIVABLE	25,000	50,000
Less discount at 6%	-	(1,415)
NET GRANTS RECEIVABLE	<u>\$ 25,000</u>	<u>\$ 48,585</u>

1736 FAMILY CRISIS CENTER
NOTES TO FINANCIAL STATEMENTS--Continued

NOTE 4--NOTES PAYABLE

Notes payable at June 30, 2008 consist of the following:

Bank loan, bearing interest at 6.5%, requiring monthly payments of principal and interest of \$6,182 for ten years with all remaining principal due on September 30, 2017, secured by land and buildings \$ 889,258

Conditional loan, payable to the Los Angeles Housing Department, non-interest bearing, requiring monthly installments of \$1,508, considered forgiven by the provision of social services to the City of Los Angeles during each month of the term of the loan, maturing on December 28, 2009 27,135

TOTAL \$ 916,393

Future principal payments due under these loans as of June 30, 2008, are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2009	\$ 34,980
2010	27,067
2011	19,229
2012	20,516
2013	21,890
Thereafter	<u>792,711</u>
TOTAL	\$ <u>916,393</u>

NOTE 5--BOARD-DESIGNATED NET ASSETS

Board-designated net assets are voluntary board-approved segregations of unrestricted net assets for specific purposes, projects or investments. Board-designated net assets are composed of the following at June 30, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Reserve Fund	\$ 1,000,000	\$ 1,000,000
Building and Facilities Fund	<u>350,000</u>	<u>500,000</u>
TOTALS	\$ <u>1,350,000</u>	\$ <u>1,500,000</u>

1736 FAMILY CRISIS CENTER
NOTES TO FINANCIAL STATEMENTS--Continued

NOTE 5--BOARD-DESIGNATED NET ASSETS--Continued

The Reserve Fund is designated to protect the Center from devastating economic or other misfortune by the allocation of cash assets of the cost of approximately two months operations of the Center. Additionally, the Reserve Fund provides a source of funds during the collection period of contracts receivable ensuring the uninterrupted provision of program services. The Building and Facilities Fund is designated for the purpose of repairing, remodeling, improving, equipping, leasing, or purchasing any facilities associated with the Center.

NOTE 6--PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets consist of the Endowment Investment Fund. The Endowment Investment Fund presently consists of the Evelyn Harris Belasco and N. John Woolley memorial account, established in 1981 by donations from individuals. The terms of the memorial account permit the Center to use only the interest earned on the account balances for operating activities. The memorial account is comprised of cash, cash equivalents and investment securities at June 30, 2008 and 2007 amounting to \$130,882 and \$130,882, respectively.

NOTE 7--LEASE COMMITMENTS

The Center conducts its operations from one owned residential facility and seven leased facilities. Three leased facilities provide non-residential counseling and case management services, and one of these also contains administrative offices. Five facilities (four of which are leased) provide 24-hour residential client care.

As of June 30, 2008, future minimum annual rental commitments by year for operating leases with maturities greater than one year from June 30, 2008, are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2009	\$ 373,072
2010	360,631
2011	216,818
2012	52,405
2013	2,372
Thereafter	<u>6</u>
TOTAL	<u>\$ 1,005,304</u>

Rent expense for the years ended June 30, 2008 and 2007 was \$387,700 and \$396,701, respectively. Differences between future annual rental commitments and current year rent expense result from month to month leases and leases expiring within one year.

1736 FAMILY CRISIS CENTER
NOTES TO FINANCIAL STATEMENTS--Continued

NOTE 8--CONTINGENCIES

Grants require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. Although that is a possibility, the Board of Directors (Board) deems the contingency remote, since by accepting a grant and its terms, the Board is acknowledging the requirements of the grantor at the time of receipt of the grant.

NOTE 9--PENSION PLAN

In 1997, the Center adopted a defined contribution pension plan. This plan covers all full-time employees who have at least one full year of service. The Center's contribution is determined each year by the Board of Directors. Employees may not contribute to the plan. Pension expense related to this plan for the years ended June 30, 2008 and 2007 was \$228,624 and \$160,756, respectively.

NOTE 10--INDIRECT PROGRAM COSTS

The costs of providing the various programs and other activities have been summarized on a program basis in the statement of activities and the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. Indirect program costs of \$467,629 and \$454,653, respectively, were determined to be allocable to the Center's various program services and have been included in the appropriate program service columns of the statement of functional expenses for the years ended June 30, 2008 and 2007; such indirect program costs can be summarized as follows:

	<u>2008</u>	<u>2007</u>
Salaries	\$ 283,432	\$ 244,982
Payroll taxes and fringe benefits	79,477	67,161
Depreciation	73,032	124,980
Professional fees	25,200	-
Maintenance and repairs	-	6,220
Office supplies	3,388	4,250
Dues and subscriptions	1,535	750
Printing	851	2,780
Telephone	714	2,975
Travel	-	350
Conferences and training	-	30
Other expenses	-	175
	<u> </u>	<u> </u>
TOTALS	<u>\$ 467,629</u>	<u>\$ 454,653</u>

1736 FAMILY CRISIS CENTER
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2008

Federal Grantor/ Pass-Through Program Title	Federal CFDA Number	Grantor's Number	Grant Amount	Grant Period	Expen- ditures	Cash * Receipts
<u>Department of Housing and Urban Development</u>						
Community Development Block Grants/ Entitlement Grants						
Passed through City of Long Beach	14.218	29846	\$ 20,000	10/01/06-08/31/07	\$ 4,215	\$ 10,501
	14.218	30361	20,000	10/01/07-08/31/08	15,821	9,608
Passed through City of Los Angeles	14.218	110066	457,093	04/01/06-03/31/07	-	70,900
	14.218	110066	457,093	04/01/07-03/31/08	350,321	440,596
	14.218	113696	445,031	04/01/08-03/31/09	117,704	-
	14.218	114062	761,472	04/01/08-03/31/09	147,549	-
Passed through City of Redondo Beach	14.218	N/A	7,531	07/01/06-06/30/07	-	184
	14.218	N/A	8,687	07/01/07-06/30/08	8,687	6,386
Passed through County of Los Angeles	14.218	E96201-06	38,700	07/01/06-06/30/07	-	5,803
	14.218	E96201-07	38,700	07/01/07-06/30/08	38,700	28,977
				TOTAL CFDA 14.218	682,997	572,955
Urban Development Action Grants						
Passed through City of Los Angeles	14.221	108177	236,004	04/01/07-03/31/08	236,004	236,004
				TOTAL CFDA 14.221	236,004	236,004
Emergency Shelter Grants Program						
Passed through Los Angeles Homeless Services Authority	14.231	2006CNESG03	53,333	07/01/06-06/30/07	-	22,531
	14.231	2007CNESG03	53,333	07/01/07-06/30/08	53,333	36,874
	14.231	2006CNESG04	53,333	07/01/06-06/30/07	-	15,612
	14.231	2007CNESG04	53,333	07/01/07-06/30/08	53,333	34,376
				TOTAL CFDA 14.231	106,666	109,393
Supportive Housing Program						
Direct Award	14.235	CA16B500-026	521,824	07/01/06-06/30/07	-	43,008
	14.235	CA16B600-030	521,823	07/01/07-06/30/08	521,823	442,431
Passed through City of Long Beach	14.235	29787	188,232	10/01/06-09/30/07	31,574	89,485
	14.235	30199	188,232	10/01/07-09/30/08	128,146	80,821
	14.235	30201	271,690	04/01/07-03/31/08	210,940	267,730
	14.235	30818	271,690	04/01/08-03/31/09	66,097	-
Passed through Los Angeles Homeless Services Authority	14.235	CA16B500118	197,413	02/01/06-01/31/07	-	94,843
	14.235	CA16B600124	197,412	02/01/07-01/31/08	174,167	196,427
	14.235	CA16B700164	197,412	02/01/08-01/31/09	79,384	-
				TOTAL CFDA 14.235	1,212,131	1,214,745
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					2,237,798	2,133,097

1736 FAMILY CRISIS CENTER
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS--Continued
Year Ended June 30, 2008

Federal Grantor/ Pass-Through Program Title	Federal CFDA Number	Grantor's Number	Grant Amount	Grant Period	Expen- ditures	Cash * Receipts
<u>Department of Justice</u>						
Crime Victim Assistance Passed through State of California Office of Emergency Services	16.575 16.575	DV06211182 DV07221182	\$ 98,520 98,520	07/01/06-06/30/07 07/01/07-06/30/08 TOTAL CFDA 16.575	\$ - 98,516 98,516	\$ 27,189 60,963 88,152
Violence Against Women Formula Grants Passed through State of California Office of Emergency Services	16.588 16.588	DV06211182 DV07221182	5,195 5,195	07/01/06-06/30/07 07/01/07-06/30/08 TOTAL CFDA 16.588	- 5,195 5,195	1,434 3,215 4,649
TOTAL DEPARTMENT OF JUSTICE					103,711	92,801
<u>Department of Health and Human Services</u>						
Temporary Assistance for Needy Families Passed through County of Los Angeles Community and Senior Citizens Services	93.558 93.558	50125-2 50125-3	961,215 898,300	07/01/06-06/30/07 07/01/07-06/30/08 TOTAL CFDA 93.558	- 898,300 898,300	25,400 898,300 923,700
Community Services Block Grant Passed through City of Los Angeles	93.569 93.569	CK35153 CK35153	85,548 42,775	01/01/07-12/31/07 01/01/08-06/30/08 TOTAL CFDA 93.569	52,767 39,001 91,768	74,154 - 74,154
Basic Center Grant Direct Award	93.623 93.623	09CY5135/02 09CY5135/03	180,000 180,000	09/30/06-09/29/07 09/30/07-09/29/08 TOTAL CFDA 93.623	21,407 121,051 142,458	35,739 60,945 96,684
Family Violence Prevention and Services/Grants for Battered Women's Shelters/Grants to States and Indian Tribes Passed through State of California Office of Emergency Services Child and Teen Counseling	93.671 93.671	DV06211182 DV07221182	64,237 64,237	07/01/06-06/30/07 07/01/07-06/30/08 TOTAL CFDA 93.671	- 64,229 64,229	17,728 39,749 57,477
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES					1,196,755	1,152,015

1736 FAMILY CRISIS CENTER
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS--Continued
Year Ended June 30, 2008

<u>Federal Grantor/ Pass-Through Program Title</u>	<u>Federal CFDA Number</u>	<u>Grantor's Number</u>	<u>Grant Amount</u>	<u>Grant Period</u>	<u>Expen- ditures</u>	<u>Cash * Receipts</u>
<u>Department of Homeland Security</u>						
Emergency Food & Shelter National Board Program						
Direct Award	97.024	Phase 25	\$ 54,980	11/1/06-10/31/07	\$ -	\$ 22,880
	97.024	Phase 26	54,980	11/1/07-10/31/08	35,196	26,396
				TOTAL CFDA 97.024	35,196	49,276
				TOTAL DEPARTMENT OF HOMELAND SECURITY	35,196	49,276
<u>Department of Transportation</u>						
State and Community Highway Safety						
Passed through City of Los Angeles	20.600	108177	37,000	10/01/06-09/30/07	15,082	19,113
				TOTAL CFDA 20.600	15,082	19,113
				TOTAL DEPARTMENT OF TRANSPORTATION	15,082	19,113
				TOTAL FEDERAL AWARDS	\$3,588,542	\$3,446,302

* Instances where cash receipts exceed expenditures are due to the receipt of cash related to prior year's billings/accounts receivable.

1736 FAMILY CRISIS CENTER
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2008

NOTE A--BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of 1736 Family Crisis Center and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B--SUBRECIPIENT EXPENSES

Amounts paid to subrecipients from federal awards passed through the City of Los Angeles, Community Development Department during the year ended June 30, 2008 are summarized as follows:

<u>Federal CFDA Number</u>	<u>Grantor's Number</u>	<u>Contractor Name</u>	<u>Amount</u>
14.218	114062	California Hospital Medical Center	\$ 75,753
14.218	114062	T.H.E. Clinic	105,336
14.218	114062	Legal Aid Foundation	47,725
14.218	50125-3	Harriet Buhai Center for Family Law	68,867
14.218	110066	Harriet Buhai Center for Family Law	29,724

1736 FAMILY CRISIS CENTER
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS--EXPENDITURE DETAIL
Year Ended June 30, 2008

<u>Federal Grantor/ Pass- Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Grantor's Number</u>	<u>Revenue Recognized</u>	<u>Expen- ditures</u>
<u>Department of Health and Human Services</u>				
Passed through State of California Office of Emergency Services Family Violence Prevention and Services	93.671	DV07221182	\$ 64,229	
<u>Department of Justice</u>				
Passed through State of California Office of Emergency Services Crime Victim Assistance	16.575	DV07221182	98,516	
Violence Against Women Formula Grants	16.588	DV07221182	<u>5,195</u>	
			<u>\$ 167,940</u>	
Federal expenditures				
Personnel services			\$ 112,658	
Operating expenses			<u>55,282</u>	
TOTAL FEDERAL EXPENDITURES				167,940
Federal match				
In-kind expenses				
Personnel services			37,558	
Operating expenses			<u>6,332</u>	
TOTAL FEDERAL MATCH			<u>43,890</u>	
TOTAL			<u>\$ 211,830</u>	

1736 FAMILY CRISIS CENTER
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2008

There were no prior year audit findings.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
1736 Family Crisis Center
Los Angeles, California

We have audited the financial statements of 1736 Family Crisis Center (Center) as of and for the year ended June 30, 2008, and have issued our report thereon dated January 26, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Center's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that Board of Directors might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 1736 Family Crisis Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, reading "Zigley & Diron". The signature is written in a cursive, flowing style.

Los Angeles, California
January 26, 2009

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors
1736 Family Crisis Center
Los Angeles, California

Compliance

We have audited the compliance of 1736 Family Crisis Center (Center) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The Center's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Center's management. Our responsibility is to express an opinion on the Center's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Center's compliance with those requirements.

In our opinion, the Center complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of the Center is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Center's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the audit committee, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Los Angeles, California
January 26, 2009

1736 FAMILY CRISIS CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of 1736 Family Crisis Center.
2. No reportable conditions relating to the audit of the financial statements are reported in the *Report on Internal Control over Financial Reporting and on Compliance Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of 1736 Family Crisis Center, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award program are reported in the *Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133*.
5. The auditor's report on compliance for the major federal award program of 1736 Family Crisis Center expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award program of 1736 Family Crisis Center for the year ended June 30, 2008.
7. The program tested as a major program was the U.S. Department of Health and Human Services, Administration for Children and Families, Temporary Assistance for Needy Families, CFDA No. 93.558.
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. 1736 Family Crisis Center qualified as a low-risk auditee.

B. FINDINGS--FINANCIAL STATEMENT AUDIT

None

C. FINDINGS AND QUESTIONED COSTS--MAJOR FEDERAL AWARD PROGRAM

None

1736 FAMILY CRISIS CENTER
CORRECTIVE ACTION PLAN
Year Ended June 30, 2008

As there were no audit findings or questioned costs for the year ended June 30, 2008, a corrective action plan is not required.